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SUBJECT: DEPUTY SECRETARY OF COMMERCE SAMPSON CALLS ON PRIME
MINISTER LEE HSIEN LOONG AND MINISTER OF TRADE AND INDUSTRY
LIM HNG KIANG

¶1. (SBU) Summary: Dr. David A. Sampson, Deputy Secretary of Commerce, met with LEE Hsien Loong, Prime Minister, and LIM Hng Kiang, Minister for Trade and Industry, during a one-day visit to Singapore on April 26, 2006. During the two meetings, the Deputy Secretary focused on the importance of U.S. engagement in ASEAN, the current situation in Indonesia, the U.S.-Singapore Free Trade Agreement, the current state of the WTO negotiations, and the U.S.-China relationship. In addition, Deputy Secretary Sampson held a roundtable discussion with American Chamber of Commerce (AmCham) members, met with International Enterprise (IE) Singapore (Commercial Service Singapore's key strategic partner in the Government of Singapore), visited the LucasFilm Animation facility, and had a CNBC Asia interview. End summary.

¶2. (SBU) Dr. David A. Sampson, Deputy Secretary of Commerce, held separate meetings with LEE Hsien Loong, Prime Minister, and LIM Hng Kiang, Minister for Trade and Industry, on April 26, 2006. The Prime Minister and Minister Lim both emphasized the importance of the ASEAN economies as well as the importance of their continuing to liberalize their economies and encourage free trade and foreign direct investment. In this regard, the Prime Minister noted Vietnam's movement toward a more open economy. The United States had set the gold standard with its Free Trade Agreements, particularly the U.S.-Singapore FTA, and Singapore was counting on the United States to maintain the high standard in its FTA negotiations with Malaysia. The Prime Minister and Minister Lim both highlighted the importance of the U.S. presence in ASEAN and urged the United States to increase its commercial presence here and trade with region. The Deputy Secretary agreed and reiterated that a key U.S. priority was strong IP regimes throughout the region.

¶3. (SBU) The Prime Minister was optimistic that the new government in Indonesia was moving in the right direction. The President of Indonesia recognized the problems, including terrorism and the need to create jobs, and was making good moves to get the economy back on track. The Prime Minister felt that the decision to cut fuel subsidies was good because it freed up money to go into other areas such as power generation. However, steadily rising wages, strong unions, and the imposition of "special levies" was discouraging foreign investment that was needed to create the millions of new jobs needed yearly. The two countries would likely sign an agreement on establishing Special Economic Zones (SEZs) in Batam and Bintan, Indonesia later

this year

¶4. (SBU) The Prime Minister and Minister Lim believed the implementation of the U.S.-Singapore FTA was going well. The Deputy Secretary agreed and expressed great satisfaction on the strong IP protection regime in Singapore to which the PM responded: "we enforce it." The Prime Minister said that Singapore's greatest concern was U.S. protectionist sentiment, particularly in the wake of the Dubai Ports deal where support behind the President's desire to keep the deal on track was very limited. The Deputy Secretary responded that, although we had concerns about Dubai (e.g., export controls), we hoped this was a unique situation. He added that the Administration was committed to bring back a rational discussion of this subject.

¶5. (SBU) The Prime Minister and Minister Lim said that we needed to keep the WTO negotiations moving forward. They believed that, in order to push the WTO deal through, the U.S. had to keep its markets open. They further noted that while a breakthrough was not needed, there must be reason for some optimism that there will be a successful conclusion down the road. Citing Vietnam and India, the Prime Minister stated that countries in the region were opening up and that progress on the WTO front was necessary to continue this trend.

¶6. (U) Both Minister Lim and the Prime Minister stressed the critical importance of the U.S.-China relationship and felt the recent trip of Chinese President Hu Jintao to the United States had gone well. Minister Lim emphasized the importance of engaging China at the provincial level, particularly the middle and western provinces.

¶7. (U) In both meetings, Dr. Sampson thanked the Singaporean
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leaders for their strong support in the areas of counter-terrorism and narcotics interdiction.

¶8. (SBU) In private sector meetings with U.S. and Singapore business leaders, Dr. Sampson discussed a broad range of commercial and trade issues impacting the Asia Pacific region. AmCham members were very appreciative of Dr. Sampson's trip to the region. I.E. Singapore relayed the frustrations expressed by Singaporean companies over the long process required to obtain approvals from the FDA to sell their products in the United States.

Herbold